AMENDED IN SENATE JUNE 13, 2005 AMENDED IN ASSEMBLY APRIL 28, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 1752

Introduced by Committee on Governmental Organization (Jerome Horton (Chair), Plescia (Vice Chair), Aghazarian, Bermudez, Calderon, Chavez, Levine, Torrico, and Yee) Assembly Member Levine

March 9, 2005

An act to amend Sections 23356.2 and 23357 of the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

AB 1752, as amended, Committee on Governmental Organization Levine. Alcoholic beverages: beer brewing. Horse racing.

Existing law provides that the California Horse Racing Board shall have all necessary powers to carry out the purposes of the Horse Racing Law. Existing law further provides that a person is disqualified from serving on the board if that person, or his or her spouse or children have a financial interest in specified horse racing activities.

This bill would require the board to promulgate and adopt regulations regarding conflicts of interest and develop a code of ethics, as specified.

The Alcoholic Beverage Control Act contains various provisions regulating the application for, the issuance of, the suspension of, and the conditions imposed upon alcoholic beverage licenses by the Department of Alcoholic Beverage Control. Existing provisions

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regulate the sales of alcohol by licensed beer manufacturers, as defined. That act requires, among other things, a license or permit to manufacture beer, except that no license or permit is required for the manufacture of beer for personal or family use, as specified.

This bill would clarify that a beer manufacturer does not include any person who brews beer for personal or family use, as provided, and would also make technical, nonsubstantive changes to the provisions governing the sale of alcohol by licensed beer manufacturers.

Vote: majority. Appropriation: no. Fiscal committee: no-yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 19440 of the Business and Professions Code is amended to read:

19440. (a) The board shall promulgate and adopt regulations regarding board member conflicts of interest and shall develop a code of ethics for all board members. The regulations shall include, but not be limited to, provisions governing recusal from participation in matters before the board due to financial conflict of interest, incompatible activities by board members, and parimutuel wagering by board members.

- (b) The board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the board shall include, but not be limited to, all of the following:
- (1) Adopting rules and regulations for the protection of the public and the control of horse racing and parimutuel wagering.
- (2) Administration and enforcement of all laws, rules, and regulations affecting horse racing and parimutuel wagering.
- (3) Adjudication of controversies arising from the enforcement of those laws and regulations dealing with horse racing and parimutuel wagering.
- (4) Licensing of each racing association and all persons, other than the public at large, who participate in a horse racing meeting with parimutuel wagering.
- (5) Allocation of racing dates to qualified associations in accordance with law.

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(c) The board may delegate to stewards appointed pursuant to Article 5 (commencing with Section 19510) any of its powers and duties that are necessary to carry out fully and effectuate the purposes of this chapter.

SECTION 1. Section 23356.2 of the Business and Professions Code is amended to read:

23356.2. (a) No license or permit shall be required for the brewing of beer for personal or family use, and not for sale, by a person over the age of 21 years. The aggregate amount of beer with respect to any household shall not exceed (a) 200 gallons per calendar year if there are two or more adults in such household, or (b) 100 gallons per calendar year if there is only one adult in such household.

Any beer brewed pursuant to this section may be removed from the premises where brewed for use in competition at organized affairs, exhibitions or competitions, including homemakers' contests, tastings, or judgings.

(b) For purposes of this division, a beer manufacturer shall not include any person who brews beer for personal or family use pursuant to this section.

SEC. 2. Section 23357 of the Business and Professions Code is amended to read:

23357. A licensed beer manufacturer may, at the licensed premises of production, sell to consumers for consumption off the premises beer which is produced and bottled by, or produced and packaged for that manufacturer. Licensed beer manufacturers may also sell beer to any person holding a license authorizing the sale of beer and may sell beer to consumers for consumption on the manufacturer's licensed premises or on premises owned by the manufacturer that are contiguous to the licensed premises and that are operated by and for the manufacturer. Licensed beer manufacturers may also sell beer and wine, regardless of source, to consumers for consumption at a bona fide public eating place on the manufacturer's licensed premises or at a bona fide public eating place on premises owned by the manufacturer that are contiguous to the licensed premises and that are operated by and for the manufacturer. Notwithstanding any other provision of this division, licensed beer manufacturers and holders of out-of-state beer manufacturer's certificates may be issued and may hold retail package off-sale beer and wine licenses. Alcoholie AB 1752 —4—

- 1 beverage products sold at or from the off-sale premises that are
- 2 not produced and bottled by, or produced and packaged for, the
- 3 beer manufacturer shall be purchased by the beer manufacturer
- 4 only from a licensed wholesaler.